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NSC BRIEFING

23 February 1955

PROSPECTS IN JAPAN

I. Campaign for Japanese Diet election 27 February has provided Moscow an excellent chance to seek a rapprochement with Japan. Prime Minister Hatoyama, who has a record of anti-Communism, is promoting the theme of Japan-Orbit friendship as an election gambit.

A. The USSR on 16 February informed Japan that it was ready to exchange views on normalizing Japanese-Soviet relations at a site suitable to Japan.

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C. Talks are expected following election, probably in New York as Japanese prefer. Japanese UN observer Sawada and Chief USSR representative Sobolev would arrange for full dress discussions. Sawada may head Japanese delegation, Soviet head unknown.

D. In addition Japanese have received Polish overtures for relations

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(No approach from Czecho-

slovakia, which walked out of San Francisco conference along with Russians and Poles.)

II. Japanese political observers expect 27 Feb election to produce Diet with two-thirds of 467 seats held by conserva-

-2-

- A. Election is struggle for power between three Japanese groups of fairly equal strength--combined Socialist parties, Hatoyama's Democrats, and Liberal Party (Yoshida-Ogata).
- B. Japan's leading newspaper Asahi with good record accurate prediction past elections gives Democrats 180 seats, Liberals 134, Socialists 135. Reversal present positions of Democrats and Liberals is attributable to:
 - 1. Party in power has traditional advantage in Japanese elections.
 - 2. Hatoyama's unrestrained advocacy diplomatic, commercial relations with Orbit is getting enthusiastic public response.
 - 3. Yoshida's Liberals are burdened by scandals, handicapped by "time for a change" sentiment.
- C. Socialists (now 134) likely have difficulty holding strength, any gains will be limited because:
 - 1. Hatoyama's pro-Orbit stand has stolen the Socialists' thunder.
 - 2. Socialist "grassroots"--labor students, intellectuals--voting strength already largely exploited.
 - 3. Communists will take some votes away from Left Socialists.

-3-

D. Communists have only 1 seat now. Asahi ^{GIVES} ~~have~~ them 3 to 5 seats; largely because well-known JCP leaders who have emerged from underground are candidates.

25X6

1. [redacted] Moscow

might declare end of state of war the day before election; however this would benefit Hatoyama more than the leftists, and may be wishful thinking by Hatoyama's supporters.

III. If the forecasts are correct the post-election government will probably be formed by Hatoyama on basis plurality (Democrats alone) rather than majority (Democrats plus Liberals)

A. With election campaign over, overriding importance of maintaining close ties with the US will reassert itself. [redacted]

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B. Expected that Japan will co-operate with US, but be reluctant to support any US policy which entails sacrifice.

C. Rearmament will have low priority. Hatoyama on record maintaining last years defense budget. Has stated that economic rehabilitation is first priority, has promised reduced taxes and increased welfare benefits.

Japan already seeking cuts in Japanese contribution 25X1 for support of American security forces, which would

-4-

- IV. The next government will proceed with negotiations for restoring diplomatic relations with the USSR.

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- V. Japan can be expected to move cautiously toward de facto recognition Peiping, and seek reduction controls on strategic trade.

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